

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

School Education Department – Proposal for providing necessary infrastructure in all Govt. Schools in the State on Hybrid Annuity Mode (HAM) – Accorded Administrative approval to take up works by calling for Request For Proposal/Tender – Orders – Issued.

SCHOOL EDUCATION (PROG.II) DEPARTMENT

G.O.MS.No. 63

Dated: 07-08-2017
Read the following:

1. From the Commissioner of School Education, A.P. Lr.Rc.No. 389/CSE/DC/Model PS/2016, dated :27.05.2016
2. From the State Project Director, SSA, A.P. Amaravati, Lr.Rc.No. 2524/SSA/CW/Infrastructure GAP/ 2016, dt. 30.09.2016
3. From the State Project Director, SSA, A.P. Amaravati, Lr.Rc.No. 2524/SSA/CW/Infrastructure GAP/ 2016, dt. 29.05.2017

ORDER :

In the reference 3rd read above, the State Project Director, SSA, Andhra Pradesh has submitted a proposal for providing necessary infrastructure viz..., Furniture, Compound Walls & Bio-Fencing and Addl. Class Rooms including Library Rooms, Water & Electrical facilities in all Govt Schools with an estimated cost of Rs.484800.00 Lakhs (estimated cost + interest) on HYBRID ANNUITY MODE (HAM). It is proposed to invite for Request For Proposal /Tender calling for experienced and competent companies that can complete the works within 24 months in all Govt Schools of Andhra Pradesh. This is expected to ensure with good infrastructure, good environment and quality education for the students in all Government Schools. The said amount of Rs.484800.00 lakhs is proposed to be met from the School Education budget by making a provision in the Budget Estimates from the year 2017-18 to 2024-25.

2. The details of repayment schedule and terms and conditions are below:

i. The project is to be taken up on HYBRID ANNUITY MODE (HAM) and will be implemented on the lines done in National Highways Authority of India (NHAI). The Government will contribute 40% of the Project cost during the execution period i.e. in the 24 months of execution period through annual payments. The remaining payment will be made on the basis of assets created and the performance of the developer. The first 40% payment is made as fixed amount in three instalments. The remaining 60% is paid as variable annuity amount after the completion of the project depending upon the value of assets created in five years time. The annuity payment of 60% of the project cost is paid annually at Bank Interest Rate i.e. 6.50% at present plus 3.00% in five years as follows:-

(Rs. in Lakhs)				
Sl. No.	Year	40% Govt. to be paid during the execution	60% annuity payment including interest	Total
1	2017-18	55000.00		55000.00
2	2018-19	55000.00		55000.00
3	2019-20	55000.00		55000.00
4	2020-21		73400.00	73400.00
5	2021-22		68700.00	68700.00
6	2022-23		64000.00	64000.00
7	2023-24		59200.00	59200.00
8	2024-25		54500.00	54500.00
	Total	165000.00	319800.00	484800.00

(PTO)

ii. As such, the 40% project cost i.e. Rs. 165000.00 Lakhs is to be paid during the Financial years 2017-18, 2018-19 and 2019-20 with an annual budgetary provision of Rs.55000.00 lakhs per annum. The remaining 60% project cost including interest of Rs.319800.00 Lakhs is to be paid during the Financial years from 2020-21 to 2024-25 biannually on the 60% construction cost incurred with interest at bank rate plus 3.00% on diminishing basis with the following terms and conditions on the investors:-

- a. The Request for Proposal (RFP) for the project on design, build, operate and transfer ("Hybrid Annuity Mode") basis, and to carry out the bidding process for selection of a private entity as the Bidder to whom the Project may be awarded on e-procurement portal of Government of Andhra Pradesh i.e. www.apecurement.gov.in.
- b. The Concessionaire shall, at its own cost and expense, procure finance for and undertake the design, engineering, procurement, construction, operation and maintenance of the Project and observe, fulfil, comply with and perform all its obligations set out.
- c. The Concessionaire shall comply with all Applicable Laws and Applicable Permits (including renewals as required) in the performance of its obligations.
- d. During the Development Period, the Concessionaire shall maintain the existing Project, in such a manner so as to ensure that the Infrastructure is in good condition and also to ensure that the quality of service and safety are maintained and in the event of any material deterioration or damage other than normal wear and tear, the Concessionaire shall undertake repair thereof. The Concessionaire would be reimbursed the cost of maintenance only if it maintains the Project.
- e. Upon request made by the Concessionaire to this effect, the Authority shall, in conformity with any regulations or guidelines that may be notified by the Government or the Reserve Bank of India, as the case may be, permit and enable the Concessionaire to secure refinancing on such terms as may be agreed upon between the Concessionaire and the entity providing such refinancing; provided, however, that the refinancing hereunder shall always be subject to the prior consent of the Authority, which consent shall not be unreasonably withheld. The Authority shall endeavour to convey its decision on such request of the Concessionaire within 30 days of receipt of the proposal by the Authority.
- f. If the Concessionaire does not achieve any of the Project Milestones or the Independent Engineer shall have reasonably determined that the rate of progress of Construction Works is such that the Project is not likely to be completed by the Scheduled Completion Date, it shall notify the Concessionaire to this effect, and the Concessionaire shall, within 15 (fifteen) days of such notice, by a communication inform the Independent Engineer in reasonable detail about the steps it proposes to take to expedite progress and the period within which it shall achieve completion.
- g. To complete all the works as per scheduled time scale, penalties will be imposed if they fail to reach mile stones laid down in MOU for lapses.
- h. To construct quality works under Independent Engineer and our own quality control wing and which will issue final completion certificate of quality.
- i. To maintain and repair the works till liability period expires i.e., 5 years.
- j. Legal action will be proposed like forfeiting performance security, blacklisting for poor quality construction, illegal practices, wrong reporting, misguiding, misleading and for any illegal activities etc.,
- k. Sufficient technical staff should be appointed as per the Government norms for effective supervision of the works.

(Cont...)

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3. In the circumstances stated by the State Project Director, SSA, Andhra Pradesh in the reference 3rd read above, after careful examination of the matter, Government hereby accept the proposal of the State Project Director, SSA, A.P. Amaravati and accordingly, hereby accord administrative approval for the works for providing necessary infrastructure viz.. Furniture, Compound Walls & Bio-Fencing and Addl. Class Rooms including Library Rooms, Water & Electrical facilities in all Govt Schools with an estimated cost of Rs.484800.00 Lakhs (estimated cost + GST + interest) on HYBRID ANNUITY MODE (HAM) by calling for Request For Proposal/Tender with suitable Special Conditions of Contract and General Conditions of Contract in as many packages as required and to complete the works within 24 months in order to equip all schools in the State with good infrastructure, good environment, sufficient and quality and ergonomically suitable furniture for students with storage facility for books/note books and creating most suitable enabling environment for providing quality education to the students. The cost of the project would be met from the School Education budget by making a provision in the Budget Estimates from the year 2017-18 to 2024-25.

4. The expenditure shall be chargeable to the Head of Account 2202 – General Education, 01- Elementary Education, 001 – Direction and Administration, 06 – State Development Schemes, 05 – Sarva Shiksha Abhiyan (SSA), 310- Grants-in-Aid, 312 - Other Grants-in-Aid.

5. The State Project Director, SSA, A.P. and the Commissioner of School Education, A.P. shall take further necessary action accordingly.

6. This order issues with the concurrence of the Finance (FMU-Edn) Dept vide their U.O. No.41022/115/2016, dated:12.07.2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

ADITYA NATH DAS
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The State Project Director, SSA, A.P. West Ibrahimpatnam, Vijayawada
The Commissioner of School Education, A.P. Amaravati
Copy to :
Finance (FMU-Edn) Dept
The Director of Treasuries and Accounts, A.P. Vijayawada
The Pay & Accounts Officer, A.P. Vijayawada
PS to M (HRD)
PS to C.S.to Govt.
PS to Secretary to C.M.
PS to Spl. C.S. to Govt (SE)

// FORWARDED BY ORDER //

SECTION OFFICER